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STRATEGIC MANAGEMENT AT M.T.C.

o *MANAGEMENT PHILOSOPHY
AND PROCESS*

o *STRATEGIC DIRECTIONS
1984-1989*

Strategic Policy Committee



Ministry of
Transportation and
Communications



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Office of the
Deputy Minister

March 16, 1983

This is the seventh, annual edition of MTC's strategic planning document which describes the ministry's functions and indicates the specific directions which will guide our long-term policy development and expenditure activities. In communicating our view of the next five years at MTC, we hope to initiate a dialogue with all interested parties and obtain the necessary feedback to ensure that the ministry's programs are well considered and responsive to a rapidly changing environment.

Part I of this document deals with our management philosophy and planning process while Part II provides outlooks, issues and strategic responses. These strategic directions will shape current programs and provide the basis for planning of activities which will be delivered in the next five-year period.

To emphasize the policy content of the report, we have changed the title from "Strategic Planning Guidelines", which has a process orientation, in favour of the term "Strategic Directions". An appendix is included to identify major changes from last year's report.

I am especially proud of these 1984-89 Strategic Directions which are the product of a great deal of excellent work by head office and regional staff at all levels. Significant contributions have also been provided by representatives of various client groups who participated in the planning cycle.

This year's planning process involved performance and program assessment, outlooks sessions and preparation of position and prospects documents. This input was thoroughly reviewed by MTC's strategic policy committee in formulating these Strategic Directions, which will now be used to guide long range planning for the various ministry programs.

I encourage all ministry staff to read and become familiar with the contents of this document. It will provide an understanding of the future direction of the ministry and help to focus our efforts on the continuing activities and changes required to successfully fulfill our responsibilities to the public.

We welcome any comments from those outside the ministry who are involved with or interested in our efforts to supply and maintain the transportation and communications systems which are essential for Ontario's well-being.



Harold Gilbert

Harold Gilbert
Deputy Minister

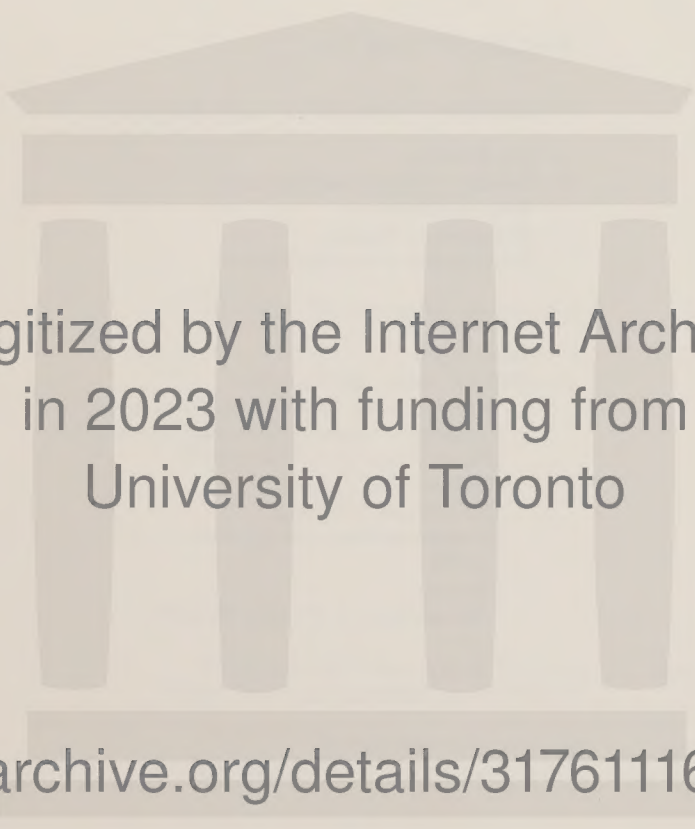
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STRATEGIC MANAGEMENT AT M.T.C.

PART I
MANAGEMENT PHILOSOPHY AND PROCESS

THE MINISTRY

The Ministry of Transportation and Communications consists of 9,500 individuals with diverse backgrounds, cultures and lifestyles, located in all geographic areas of the province. These individuals are the strength of the ministry. As users themselves of transportation and communications services, our staff help ensure that all areas of the province are treated fairly and that ministry programs and activities remain oriented toward people.

MTC is primarily a service organization. Prior to 1975, the ministry had an operational focus, concentrating its efforts largely on the development of the road and highway network, the licensing of drivers and vehicles, and the provision of commuter, transit, air and communications services. MTC has now evolved into an organization which addresses the total transportation and communications needs in Ontario, through a comprehensive policy development and planning process.

To promote the mobility of people, goods and information, MTC carries out direct program delivery activities and funds municipal roads and transit services through transfer payments. The ministry also influences the policies of other parties having jurisdictional responsibilities for transportation and communications. Examples of influence programs are found in the Air, Rail and Marine Offices and in the activities of the Communications Division.

A key government strategy is to support a balanced Canadian federalism and cooperate with all government agencies necessary to achieve coordinated and effective services. Much can be done through influence programs and the successful resolution of complex issues can only be accomplished through a cooperative approach.

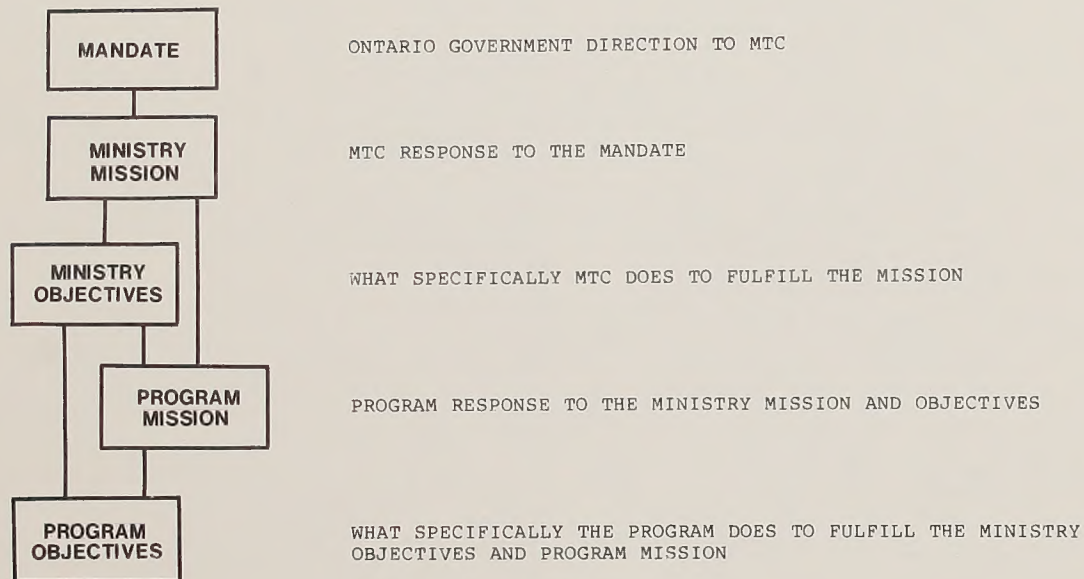
Successful programs require participation by all interested parties from the earliest stages. To this end, MTC actively works with the private sector to maintain and improve the transportation and communications facilities and services which are essential for economic well-being and growth.

The ministry provides support to Ontario's road building industry and also assists specific client groups such as the shippers and carriers involved in goods distribution, the automotive, intercity bus and telecommunications industries, and all parties involved with the provision of air, rail, marine and public transit services. MTC initiatives with the private sector include participation on government/industry councils and provision of a single point of contact for client industries in their dealings with the provincial government.

The ministry's major client group is the general public who travel by private car or on the various air, rail, intercity bus, commuter and public transit services available in Ontario. The mobility of people, goods and information provided by this ministry is, in fact, a basic component of the standard of living enjoyed by Ontario residents.

A good relationship with the public requires effective, two-way communications and a sensitivity to changing attitudes, values and needs. At every stage of program development, MTC provides information and public input is sought and considered. This input is obtained through direct public participation activities, dialogue with municipal officials and comments by elected representatives in the Ontario government.

MANDATE, MISSION AND OBJECTIVES



MANDATE, MISSION AND OBJECTIVES

The relationships between the ministry's mandate, mission and objectives are illustrated in the chart on the opposite page. These statements guide the conduct of all activities carried out by MTC and provide the basic foundation for the development of the Strategic Directions contained in Part II of this document.

The Mandate

The Government of Ontario has assigned specific responsibilities to MTC and has defined transportation and communications policies which the ministry is to develop and implement. The Speech from the Throne of March 30, 1971 contains the following directions for this ministry:

"...DEVELOP AND EMPLOY WAYS TO MOVE LARGE NUMBERS OF PEOPLE AND GOODS AND STIMULATE THE ECONOMIC GROWTH OF THE PROVINCE...

"...CREATE FUNCTIONAL, INTEGRATED AND BALANCED TRANSPORTATION SYSTEMS...

"...INTEGRATE ROAD, RAIL, AIR AND WATER SERVICES THROUGHOUT THE PROVINCE...

"...GIVE SPECIAL EMPHASIS TO THE TOTAL TRANSPORTATION SYSTEMS OF THE LARGER CITIES AND THEIR SURROUNDING COMMUTER AREAS...

"...DEVELOP A TELECOMMUNICATIONS POLICY FOR ONTARIO WHICH WILL ENSURE THAT THE INTERESTS OF THE PEOPLE ARE FULLY REPRESENTED."

The following Mandate statement for MTC responds to these broad directions.

TO BE THE PROVINCIAL PRESENCE IN TRANSPORTATION AND COMMUNICATIONS, PROVIDE THE FOCAL POINT FOR THE IDENTIFICATION OF THE TRANSPORTATION AND COMMUNICATIONS NEEDS OF THE PEOPLE OF ONTARIO, AND SATISFY THEM THROUGH THE USE OF ROAD, RAIL, TRANSIT, AIR, WATER, PIPELINE AND COMMUNICATIONS SYSTEMS AND SERVICES IN ACCORDANCE WITH THE PREVAILING OBJECTIVES OF THE GOVERNMENT OF ONTARIO.

The Mission

The mission statement is a declaration by the ministry of the action required to fulfill the mandate. MTC's mission statement is:

TO ACHIEVE MOBILITY OF PEOPLE, GOODS AND INFORMATION IN ONTARIO BY ASSURING ACCESS TO TRANSPORTATION AND COMMUNICATIONS SYSTEMS AND SERVICES WHICH ARE SAFE, DEPENDABLE, EFFECTIVE, EFFICIENT AND ENVIRONMENTALLY ACCEPTABLE.

The focus is on mobility as the basic rationale for MTC's programs. All of the ministry's activities, in both transportation and communications, relate to enhancing, channelling or controlling the movement of people, goods and information. Hence, provision of **MOBILITY** is the driving force for ministry actions to fulfill its Mandate.

Ministry Objectives

Seven ministry objectives have been defined to address the Mission and to establish the boundaries within which MTC programs are conducted. The five program areas (Provincial Highways, Transportation Regulation, Municipal Transportation, Provincial Transportation and Communications) are expected to satisfy these corporate objectives and establish the necessary, measurable parameters which are then used in program assessment.

The objectives of the Ministry of Transportation and Communications are:

1. **TO ENSURE THAT A REASONABLE CHOICE OF TRANSPORTATION AND COMMUNICATIONS SERVICES EXISTS FOR THE MOBILITY OF PEOPLE, GOODS AND INFORMATION, WITHIN ONTARIO AND BETWEEN ONTARIO AND OTHER JURISDICTIONS.**

This objective addresses mobility, which requires the provision of transportation and communications facilities as well as reasonable access and choice of services for the people of Ontario. MTC facilitates coordination among the various modes and services to achieve integrated transportation and communications systems in Ontario, while recognizing the need for healthy competition among the providers of such services. With combined responsibilities for transportation and communications, the ministry is able to promote communications initiatives and new technologies which are directed toward transportation productivity improvements.

This objective also recognizes that transportation and communications services are basic to the social, cultural and economic well-being of the province. As such, these services should be available to all communities and residents with due consideration of the practical limitations facing the government and the private sector.

2. **TO PRESERVE THE PUBLIC AND PRIVATE TRANSPORTATION AND COMMUNICATIONS SYSTEMS ESSENTIAL TO ONTARIO, NOW AND FOR THE FUTURE.**

This objective recognizes that in the past, major public and private investments have been made for transportation and communications facilities and services throughout the province. Further, it is in the public interest that the existing infrastructure and services should not be allowed to deteriorate as long as they remain essential for mobility in Ontario and between jurisdictions.

This objective also addresses the need for the ministry to retain flexibility such that future requirements can be accommodated and appropriate levels of modern transportation and communications services can be maintained.

3. TO PROMOTE SAFETY, EFFECTIVENESS, EFFICIENCY, ENVIRONMENTAL ACCEPTABILITY AND ENERGY CONSERVATION IN ALL MODES OF TRANSPORTATION AND COMMUNICATIONS SERVICES OPERATING IN THE PROVINCE.

This objective refers to the desirable characteristics of all transportation and communications services operating in the province. MTC has direct responsibility for highway safety and coordinates all government programs in this area.

Effectiveness and efficiency will lead to dependable services which are fairly priced and can be provided at a reasonable cost. Energy conservation is highlighted in recognition of the continuing major role of transportation and communications systems in achieving the ultimate goal of energy self-sufficiency.

4. TO CONTRIBUTE TO ECONOMIC GROWTH WITHIN ONTARIO AND CANADA BY IDENTIFYING AND RESPONDING TO OPPORTUNITIES IN THE AREAS OF TRANSPORTATION AND COMMUNICATIONS SERVICES.

The network of services provided through MTC enables the system's users to achieve the mobility of people, goods and information necessary for a strong economy within Ontario and Canada. The products and services supplied by the ministry establish the foundation upon which the private sector can create opportunities for increased investment and long-term job creation.

Development of ministry programs includes an awareness of the industrial environment and the promotion of opportunities which advance Canadian technology. MTC works with client industries to influence productivity improvements and actively encourages firms to take advantage of foreign trade opportunities.

The ministry also cooperates with agencies such as the Urban Transportation Development Corporation, the Ontario International Corporation, the IDEA Corporation, the Ontario Economic Council and the Board of Industrial Leadership and Development to promote economic growth in Ontario.

5. TO COOPERATE WITH OTHER MINISTRIES, GOVERNMENTS AND THE PRIVATE SECTOR ON JOINT PROGRAMS AND TO PROVIDE SERVICES TO OTHER MINISTRIES IN SUPPORT OF GOVERNMENT OBJECTIVES.

This objective stresses the importance of cooperation with other levels of government to achieve effectiveness in the total transportation and communications systems. The ministry works with all municipalities and provides technical and financial assistance for local services. MTC also supports Ontario's desire for a balanced Canadian federalism by pursuing coordination with the federal government and other provinces in current and new programs.

This objective also addresses the need to cooperate with the private sector on joint initiatives and to use influence programs to support industry in its dealings with other jurisdictional authorities.

Within the Ontario government, this ministry possesses unique capabilities and expertise which are used to assist municipalities, other ministries, and provincial agencies, boards and commissions, in carrying out their mandates and objectives. When specific government initiatives require coordination of activities among several ministries, MTC contributes to these efforts in a lead or support role as appropriate. Specific inter-ministry responsibilities involve revenue collection and law enforcement.

6. TO MAINTAIN EFFECTIVE TWO-WAY COMMUNICATIONS WITH THE PUBLIC AND TO ENSURE THAT THE TRANSPORTATION AND COMMUNICATIONS EXPECTATIONS AND ASPIRATIONS OF VARIOUS SEGMENTS OF ONTARIO SOCIETY ARE IDENTIFIED AND RECONCILED WITHIN THE FRAMEWORK OF GOVERNMENT POLICIES AND PROGRAMS.

MTC has the responsibility for carrying out, in the areas of transportation and communications, the wishes of the people of Ontario as expressed through the provincial government. The ministry recognizes its responsibility for comprehensive policies, systems and services which are necessary for the safe and efficient movement of people, goods and information throughout the province and between jurisdictions.

This objective also addresses MTC's responsibility to be sensitive to the changing environment in developing its policies and programs. The ministry must establish and clearly articulate the provincial interests in all transportation and communications issues.

7. TO CONTRIBUTE TO GOVERNMENT DECISION-MAKING BY ENSURING THAT ALL OPPORTUNITIES, THREATS, STRENGTHS, AND WEAKNESSES IN THE AREAS OF TRANSPORTATION AND COMMUNICATIONS ARE IDENTIFIED, RECOGNIZED AND PLACED BEFORE THE GOVERNMENT.

In its capacity as the transportation and communications agent of the provincial government, the ministry has the obligation to provide information and advice on all related matters, regardless of which level of government has the specific jurisdictional responsibility. This requires MTC to vigorously place before government, the transportation and communications implications of all public policy initiatives under consideration.

MINISTRY PRINCIPLES

Consistent with the Ontario government's Management Philosophy, MTC has developed statements of human resource and general management principles. These statements represent a set of values to guide all staff in addressing present and future challenges while serving the people of Ontario.

Human Resource Principles

The ministry's human resource principles are based on the belief that people are a key resource available to MTC in carrying out its mandate, and their development is beneficial to the individual, the ministry and the Ontario government.

Further, MTC should endeavour to provide challenging work in a safe environment. Ministry policies should be fair and should foster opportunities for personal growth and satisfaction. To this end, the ministry will continuously seek to provide:

- **A CLIMATE IN WHICH BOTH MINISTRY AND PERSONAL OBJECTIVES MAY BE ACCOMPLISHED;**
- **AN ENVIRONMENT THAT ENCOURAGES AND DEVELOPS A SPIRIT OF TEAMWORK AND COOPERATION;**
- **AN ATMOSPHERE OF HONESTY, OPENNESS AND EQUITY;**
- **DELEGATION OF AUTHORITY COMMENSURATE WITH ASSIGNED RESPONSIBILITY;**
- **AN ENVIRONMENT IN WHICH EMPLOYEES ARE TREATED AS A PROVINCIAL RESOURCE;**

- **A SAFE AND HEALTHY WORKPLACE;**
- **SENSITIVITY TO DIFFERENCES IN CULTURE AND LIFESTYLES IN THE MANAGEMENT OF STAFF AND DEVELOPMENT OF PROGRAMS.**

It must also be recognized that MTC has expectations of its employees and that these expectations should be stated explicitly. The ministry expects:

- **PEOPLE TO CONDUCT THEMSELVES WITH INTEGRITY IN THE DISCHARGE OF THEIR JOB RESPONSIBILITIES;**
- **PERFORMANCE THAT PRODUCES GOOD RESULTS AND ACCEPTANCE OF ACCOUNTABILITY FOR PERFORMANCE;**
- **INDIVIDUALS TO RECOGNIZE THAT THEY MUST BE INNOVATIVE AND TAKE PERSONAL INITIATIVE IF THEY WISH TO ACHIEVE SELF-DEVELOPMENT AND IMPROVEMENT.**

Management Principles

As part of the Ontario government, the ministry spends public funds and is a custodian of the public's trust. This stewardship role requires the highest standards of conduct and acceptance of accountability for actions. All ministry activities must be continuously reviewed to ensure that service levels are realistic and fair, and that the desired results are being achieved.

MTC must be sensitive and responsive to changing needs and conditions in all areas of transportation and communications. In developing policies and programs, it is essential that plans be clearly communicated and timely input obtained from all interested parties. A cooperative attitude is necessary in serving the public and in working with the private sector and other government agencies.

In order to maintain a strong, lean, results-oriented ministry, all activities must be conducted in a manner which is effective, efficient and economical. Thus, the skills and information available at MTC must be fully utilized to increase internal productivity and to benefit client groups.

MANAGEMENT STRUCTURE

In 1975, MTC adopted a matrix management system involving a program and committee structure which cuts horizontally across the line organization. This flexible matrix arrangement provides for strong corporate leadership, coordinated policy development in resources management and program planning, and effective delivery of products and services through the line organization.

Strategic Policy Committee (SPC)

This is MTC's principal corporate committee with overall responsibility for policy planning and establishing strategic directions. Membership includes the Minister, the Deputy Minister, and eight senior executives as noted on the organization chart which is provided at the back of this document.

Five program planning committees, a resources management committee, and an operations committee are sub-committees of SPC (see chart on next page). They are responsible to SPC for the effective management of the programs and of the resources which are available to the ministry.

Program Planning Committees

Each of the Assistant Deputy Ministers and the Executive Director, Communications Division, serve as the chairman of a program planning committee. The ADM, Finance and Administration, chairs the resources management committee. The membership of the program planning committees includes executives from other areas of the ministry to provide coordination and broad corporate perspective for planning activities.

The program planning committees have received corporate direction from the strategic policy committee in the following mission statements:

Provincial Highways Program

To provide and maintain a provincial highway system which will satisfy the mobility, economic, energy conservation, social and institutional needs of the people of Ontario and promote the objectives of government.

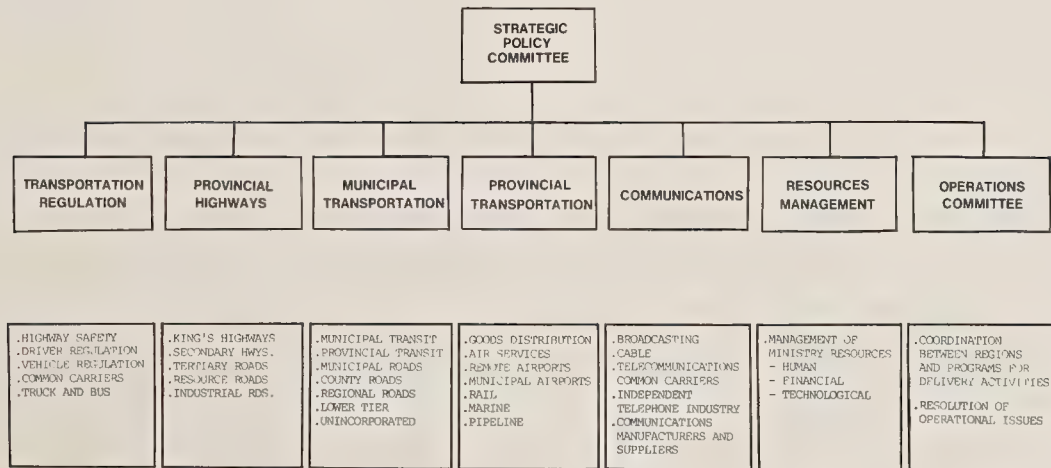
Transportation Regulation Program

To influence, through regulation and education, the qualifications and performance of the users of the highway transportation systems and services in a manner which will enhance highway safety, the mobility of goods, the mobility of people, and support the prevailing objectives of the ministry and the Ontario government.

Communications Program

To assure access to communications systems and services and facilitate the mobility of information by promoting the interests of Ontario users of communications services while contributing to the strength of the communications manufacturing and supply industries in Ontario.

MTC CORPORATE COMMITTEE STRUCTURE



Provincial Transportation Program

To promote and coordinate the inter-urban mobility of people and goods by the integrated use of all transportation modes operating and serving in Ontario and to points beyond the province.

Municipal Transportation Program

To provide for the mobility of people and goods at the local, regional and inter-regional levels through coordination and support of the transportation infrastructure and services supplied by local and provincial authorities.

Resources Management Committee (RMC)

This committee includes all members of SPC except the Minister and Deputy Minister, as well as MTC directors responsible for human resources, financial planning and management improvement. RMC has the basic responsibility to ensure the effective and efficient utilization of the human, financial and technological resources entrusted to the ministry in order to fulfill its mandate. The committee has a human resources sub-committee and a technology advisory sub-committee.

Operations Committee

MTC has an operations committee to discuss and resolve issues related to all aspects of regional operations and to facilitate strong functional management direction of ministry programs and activities. This committee ensures province-wide consistency in the application of ministry policies and provides a

mechanism to transmit program directions for delivery operations, coordinate regional activities and head office functions, and encourage the exchange of ideas and experiences among ministry staff.

The components of the operations committee consist of an executive plus five functional sections. Executive sessions are chaired by the Deputy Minister and include regional directors and the ADM, Finance and Administration. Functional sessions involving transportation regulation, engineering and construction, highway operations and maintenance, municipal transportation, and finance and administration are chaired by the regional director of central region and include all regional directors and the appropriate program executives from head office.

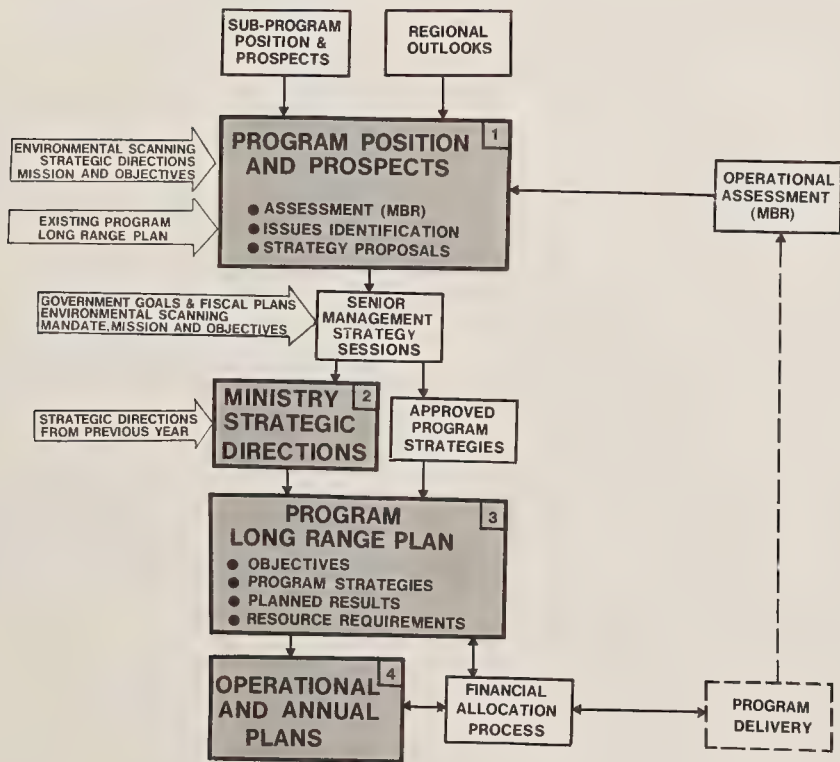
The Line Organization

A chart showing MTC's formal line organization is included with this document. This structure has gradually evolved to enable the line units to effectively respond to the strategic directions of the ministry.

Head office is organized to control all program activities while the responsibility for delivery of MTC's products and services rests with five regional offices and their related districts. The regional directors also represent the ministry within their geographic areas.

A fundamental principle of ministry management is the decentralization of program delivery to the regions. This continues to be the most feasible method for satisfying the transportation and communications requirements of Ontario residents.

STRATEGIC PLANNING PROCESS AT MTC



THE STRATEGIC PLANNING PROCESS

The environment in which MTC operates can be characterized by an accelerating rate of change in all areas including the economy, technology and social values. To be successful in managing change, the ministry must be able to anticipate important long-term issues, assess the potential impacts on planned activities and develop appropriate new strategies to respond.

The chart on the opposite page illustrates the formal strategic planning process conducted at MTC. The purpose of this process is to provide for a systematic and continuous reconsideration of the ministry's programs and future direction. The process is also intended to develop a common sense of mission and direction internally and to provide the most complete information for decision-making at all levels.

The major outputs from the strategic planning process are:

- 1 Position and Prospects documents for each of the five program areas.
- 2 Strategic Directions (Part II of this document).
- 3 Program Long Range plans.
- 4 Operational and Annual plans.

Timing

Program assessment and environmental scanning activities are continuous throughout the year and summaries are prepared in the fall as input to the Position and Prospects document. The ministry's Strategic Directions are prepared during the winter period and the long range plans are updated in the spring. Operational plans for delivery activities commencing in

the next fiscal year are developed by line managers during the summer months.

To comply with the requirements of the government's financial allocation process, eighteen months lead-time is normally required between the initiation of planning activities at the ministry and the start of program delivery.

Fall	Winter	Spring	Summer ... Spring	
Assessment Summaries	Strategy Setting	Program Long Range Plans	Operational and Annual Plans	Start of Delivery
Position & Prospects	Strategic Directions			

Position and Prospects

The Position and Prospects (P&P) document provides a program assessment and status report, identification of major issues and alternatives for strategic responses. Senior management addresses the corporate issues and strategies while program-specific items are considered during the development of the long range plan.

SPC and each program planning committee conduct external scanning in specific areas and invite participation in the planning process from client industries, other government agencies, academics and representatives of the public. Environmental scanning for corporate consideration is also provided by an Outlooks office which develops relevant future

perspectives through studies by in-house staff and consultants. Further inputs to the P&P include a review of the program mission and objectives; consideration of issues and strategies from the previous planning cycle; and direct feedback from sub-programs and the regional delivery organization.

The assessment component of the program P&P is based on a Management-By-Results (MBR) approach adopted by the provincial government for all ministries. This approach to evaluation focusses on results and helps to ensure accountability at all levels within the organization. MBR is used for the performance measurement of delivery functions as well as the higher level assessment of program effectiveness.

Strategic Directions

The strategic policy committee conducts a series of outlooks meetings and conferences which are broad in scope and provide a perspective on key emerging issues in government, the private sector and society in general. The information from these meetings, P&P presentations and other sources is consolidated prior to SPC strategy sessions during which objectives are reviewed, issues are clarified and appropriate strategies are developed.

These SPC meetings identify corporate issues and directions and are also used to approve specific strategies for the five program areas and the resources management committee. The corporate issues and strategies are then refined by SPC and MTC's Strategic Directions for the next five years are issued at a senior management conference in the spring. This document is a major input for the program long range plans.

Program Long Range Plan

After receiving top-down direction, the program planning committees complete an update of their long range plans (LRP). These documents are the key output of the planning cycle and provide approved strategies which link corporate directions and program line managers.

The LRP covers a minimum five-year period and includes expected results and assessment criteria for program objectives. Details are also provided on how to implement strategies, especially new initiatives, and the corresponding resource implications.

A program long range plan includes sub-plans for human resources (number and type of staff, skill levels, training requirements) and technical resources (facilities, new technologies). These sub-plans are reviewed by the resources management committee.

Operational and Annual Plans

From the updated LRP, line managers proceed to develop short range operational and annual plans for delivery activities. These plans contain specific implementation details and resource requirements. Clear statements of expected results and performance indicators for products and services are also included.

The financial information from the first year of the long range plan provides a basis for MTC's participation in the Ontario government's allocations process. This process involves continuous negotiation with central agencies until ministry long range and operational plans are matched with available resources. As programs are delivered, the assessment activity provides feedback and the planning cycle is repeated.

STRATEGIC MANAGEMENT AT M.T.C.

PART II A

STRATEGIC DIRECTIONS 1984 – 89

INTRODUCTION

The 1982/83 planning cycle confirmed the relevance of many past issues and strategies. This result is as expected since themes such as the economy, major urban centres and mobility continue to be dominant influences for ministry activities and programs.

What has changed since last year is the environment within which the issues are developing. Also, there are shifts in emphasis due to the maturing of some strategies and the impact of new forces in the environment. Perhaps the most dramatic impacts have occurred as a result of Ontario's economic situation.

In preparing this Strategic Directions document, the focus has been on emerging issues and new strategic initiatives. A reconciliation with previous issues and strategies is included in Appendix A.

The material from outlooks sessions, position and prospects presentations and senior management strategy meetings has been organized under the nine major themes listed below. For each theme, general outlooks and trends are discussed initially to provide the background for the subsequent strategic directions which have been developed.

- o **The Economy, Industry and Technology**
- o **Mobility of People, Goods and Information**
- o **Maintenance and Preservation**
- o **Major Urban Centres**
- o **Government Relations**
- o **Communicating with the Public**
- o **Safety**
- o **Energy**
- o **Management of Ministry Resources**

A strong influencing factor, common to many of these themes, is the changing age profile of the Ontario population. In the near term, jobs for the "Big Generation" (people born between 1951 and 1966) will be a major issue, complicated by the high educational levels and expectations of this age group. The ministry, as part of the Ontario government, will be expected to develop strategies which provide relief and to promote flexible employment opportunities through which individuals may successfully adapt to the changing work environment. This issue is discussed in more detail in the next section.

The "Big Generation" is advancing through society and at the turn of the century there will be a significant increase in the number of elderly persons with a far lower proportion of workers to support them. This shift in population make-up is predictable and will dramatically alter the future activities of MTC. New types of services will be required, recreational travel will be emphasized, social values will change and new laws will be introduced to reflect these changed values. While there is adequate time to adjust MTC activities, future plans must be sensitive to long range population trends.

THE ECONOMY, INDUSTRY AND TECHNOLOGY

Outlooks and Trends

Reduced inflation and lower interest rates are indicators that an economic recovery is beginning to take place. The pressures on the Canadian economy from the current recession are still severe, as evidenced by the 1.6 million unemployed, low consumer confidence, lagging productivity compared to other industrialized countries and manufacturing plants operating far below capacity.

While the Ontario economy seems to be recovering, it must be recognized that the future work environment will be significantly altered. Sustained economic growth will require relentless pursuit of productivity improvements with resulting job displacement due to the introduction of new technologies and more efficient processes. Signs of future change in the workplace are most evident in the vital automotive sector.

In the near term, Ontario's economy will be characterized by slow growth, continuing high unemployment and a climate of restraint. Competition for limited government resources will mean that only the highest priority activities will receive consideration.

A return to high economic growth rates will require restoration of consumer confidence, increased foreign trade and promotion of private sector initiatives which build on Ontario's strengths. These strengths include a trained work force, advanced educational facilities, inexpensive energy, modern transportation and communications systems and a strong financial base.

Within Ontario's diversified manufacturing and industrial economy some industries have been relatively

shielded from the economic downturn. Tourism and high technology in the areas of transportation and communications are two industries that have significant growth potential.

To provide immediate, localized relief to individuals, continuing short-term job creation initiatives are expected from the federal and provincial governments. Such programs are supportive of social policies and are not intended to create a long-term increase in government functions. This type of economic stimulation will occur concurrently with ongoing ministry activities including planned program reductions.

Strategic Directions

Regardless of when Ontario's economy will recover, MTC recognizes the need to develop strategies which will address unemployment and contribute to economic growth. Increased encouragement and support for industry is a key strategy for all ministry programs.

ECONOMIC GROWTH

The ministry will be forward-looking, address broad issues and take an active role in helping to build a strong economy. MTC will continue to act as a facilitator for growth and a catalyst in promoting recovery initiatives and productivity improvements internally and within the private sector. Support will be given to industry programs which lead to commercial applications of new technology, the selective use of automation and the development of Ontario products which have export potential or permit import substitution.

UNEMPLOYMENT

Short-term job creation funding provides opportunities to undertake additional necessary work related to MTC programs. The ministry will develop a "job bank" of candidate projects which have effective economic multipliers. Projects involving municipal transportation and the application of communications technologies to transportation systems will be developed to augment provincial highways projects.

Innovative thinking will be necessary to provide flexible employment options through such measures as permanent part-time work, staff relocation and increased use of the private sector for current ministry functions (privatization). A high degree of versatility and flexibility will be required in ministry staff, the organizational structure and capital expenditures in order to allow a quick response to changing requirements and opportunities.

INDUSTRY SUPPORT

A corporate focus will be established to encourage transportation and communications firms to come forward with innovative ideas which can be translated into commercial successes. Public and private interests will be brought together in forums to identify and overcome barriers to growth. Recently formed committees involving ministry staff and representatives of the trucking and intercity bus industries provide excellent models of effective forums.

Efforts will be made to counteract policies in jurisdictions outside of Canada which limit international

goods distribution. The ministry will try to obtain a complete understanding of such policies and early warnings of any proposed changes. Economic analyses of the potential impacts of these policies on Ontario industry will be conducted to ensure that timely and effective responses can be made.

The ministry will support industry in the use of Ontario markets to develop products with export potential. Also, MTC incentives will be used to stimulate private sector investment in transportation and communications and "seed funding" will be provided for promising new ventures.

The ministry has in-house technical expertise, access to a vast amount of information and detailed understanding of government processes. These internal capabilities and resources will be made more available to encourage and support industry. Every opportunity will be taken to communicate potential changes in legislation and program requirements to enable client industries to adapt successfully to a new environment, as was done in the recent past with Ontario's road building industry.

The application of communications technology to complement transportation systems is one example of an immediate opportunity for enhancing productivity and will be pursued by MTC.

MOBILITY OF PEOPLE, GOODS AND INFORMATION

Outlooks and Trends

The private automobile continues to be the dominant mode for intercity travel. Traffic volumes have decreased slightly for the province overall, although marginal increases are noted in the Metro Toronto area. Such small changes will not impact the highway program in the short-term, but trends in traffic volumes will continue to be closely monitored to identify any future adjustments which may be necessary.

Intercity bus services have not been able to penetrate new passenger markets, although charters and bus tours continue to increase. While the rail share of the passenger market seems unstable, the long-term potential for rail is certainly evident in the Windsor/Toronto/Montreal corridor. Federal rail policies are adversely impacting the bus industry and strong competition between these modes, although appearing beneficial in the short-term, could weaken the existing infrastructure and have a long-term impact on the overall public transportation system.

Outside of major travel corridors, the continuing availability of economical bus and rail services in small communities and rural areas may be threatened. This is a serious issue which is receiving attention at MTC.

The Ontario trucking industry is experiencing financial problems although its share of goods movement has been increasing slightly. Overall distribution by rail and marine modes remains relatively stable. The Welland Canal's capacity is considered adequate until the 1990s, but planning for improvements will have to

commence soon. The goods distribution system in Ontario is being affected by a shift to "just-in-time" inventory and more coordination will be required to address international goods distribution by all modes.

The air industry in Canada and Ontario is now in the process of being restructured. Requests for municipal airport subsidies are expected to increase. The remote airport program in Northern Ontario has stabilized and all access modes and services in the north now require improved coordination.

MTC subsidy policies have stabilized urban transit services to the point where revenues now closely follow costs. Transportation services for the disabled are still in a growth phase and increasing demands are expected in relation to levels of service and participation by more municipalities.

Communications substitution for travel, through techniques such as teleconferencing, is an ongoing ministry priority. It seems, however, that the widespread adoption of work-at-home technology in Ontario is not likely before the 1990s. This outlook has led MTC to place more emphasis on opportunities for communications technology to complement transportation systems.

Strategic Directions

MTC will cooperate with private sector initiatives directed at the integration of existing services for both passenger and goods distribution, while preserving healthy competition among the various modes. Where

opportunities for effective intermodalism exist and are not being pursued, the ministry will provide the necessary leadership to overcome barriers to joint action. The intention is to build on strengths and allow natural trends to develop.

An opportunity exists to expand Ontario's role as a North American transportation hub for international goods movement. To achieve this potential, more emphasis within MTC will be placed on goods distribution, including practical applications for communications technologies. Closer monitoring and detailed analysis are required of the policies adopted in other jurisdictions which affect the total distribution system.

Pressures for increased transportation services throughout the province will be addressed in the context of total systems. To avoid setting costly precedents and enable quick response to potential service reductions, all ministry programs should include identification of service levels required to satisfy basic mobility needs in all areas of the province.

The ministry will review existing policies and programs of the provincial government as they relate to the private automobile. This will be done through a special issue study which will focus on mechanisms to develop objectives and coordinate policies in areas such as energy conservation, provincial licensing fees and highway standards. The ministry's relationship with Ontario's automotive industry will also be examined and forums will be established for ongoing discussion with industry representatives.

MAINTENANCE AND PRESERVATION

Outlooks and Trends

The general public and various business groups recognize the high quality of Ontario's transportation and communications systems and the need to protect the massive investment which has been made in existing facilities and services. Similarly, the Ontario government has always regarded preservation of the total provincial roads and highway system as one of the most important functions of this ministry. If treated as a financial asset, the road system in Ontario would probably comprise the largest single item on a "provincial balance sheet", possibly exceeding \$20 billion in current value.

The priority for MTC's maintenance and rehabilitation activities will continue in the future and a deterioration in infrastructure, as evident in many parts of the United States, will be avoided in Ontario. The existing King's highway and municipal roads system is in good condition as confirmed by the standards and technical adequacy levels monitored by MTC. There is also a high degree of compliance with existing weight regulations by commercial users of the highway system.

Current and planned transportation facilities across the province are considered adequate to meet the forecast traffic needs. There is concern, however, about the condition of the secondary highway system, particularly in northern Ontario, which must be addressed through joint efforts of MTC and the Ministry of Northern Affairs.

Strategic Directions

Over the planning period 1984-89, maintenance and rehabilitation of the roads and highway infrastructure will receive top priority in the allocation of funds available to the ministry's highways and municipal roads programs. Innovative methods of carrying out these activities will continue to be pursued in support of this objective. Special emphasis will be placed on effective ongoing and preventative maintenance and the rehabilitation of existing highway structures.

MTC will explore the relationships between the level of inspection activities, weight limit regulations and pavement damage. The results of this study will confirm the appropriateness of current procedures and regulations or indicate desirable changes.

MAJOR URBAN CENTRES

Outlooks and Trends

While projections of municipal requirements for both roads and transit indicate that funding requests will significantly exceed available ministry resources, the provision of modern transportation systems is essential to keep Ontario's major urban centres vital. Massive capital investment in the Metro Toronto area will be required for planned transit lines and for road projects such as a system to support the waterfront development.

In response to demand for transit services linking regional centres in the Toronto area and pressures to extend the commuter transit system, the province developed an inter-regional rapid transit strategy which has a twenty-year planning horizon. The system being implemented is known as GO ALRT (Government of Ontario, Advanced Light Rail Transit). Extensions of the lakeshore commuter rail system to Oshawa in the east and Hamilton in the west are immediate projects and preliminary planning for a northern line across Metro Toronto is underway.

GO ALRT provides an opportunity for ministry staff to undertake direct activities related to planning, design and corridor preparation. MTC will also be working in partnership with operating authorities and system developers through all phases of system delivery and acceptance.

The GO ALRT project will also provide opportunities for the commercial development of many Ontario-based technologies. The contribution that this system will make to the success of Ontario's largest city can be used to advantage in developing related products and services for foreign markets.

Major transportation initiatives are occurring in many urban centres outside of Metro Toronto. These projects will continue to require technical and financial support from MTC.

Strategic Directions

In anticipation of capital funding requests which exceed available resources, MTC will constantly review the effectiveness and economic impact of existing policies, subsidies and programs. While reasonable subsidy rates to encourage transit expansion will be continued, MTC will review the mechanisms by which capital investment trade-offs between roads and transit are conducted.

The GO ALRT project will require MTC leadership in developing options, anticipating problems, overcoming institutional barriers and recommending solutions. Cooperative efforts with all parties through groups similar to the Toronto Area Liaison Committee will be essential. Effective use of resources will require service rationalization, integration of fare systems and terminal facilities, and prompt resolution of any cross-boundary or jurisdictional issues.

All Ontario municipalities will be encouraged to plan and manage local services in the context of the total transportation system. The ministry will also support productivity improvements and the application of effective new technologies for municipal systems.

The ministry will increase its focus on transportation systems in the other major urban centres of Ontario, such as Hamilton/Wentworth and Ottawa/Carleton. MTC will provide leadership as required and participate in specific projects which address the long-term needs of all Ontario cities.

GOVERNMENT RELATIONS

A) FEDERAL/PROVINCIAL RELATIONSHIPS

Outlooks and Trends

A federal/provincial partnership and a process of consultation are necessary for sustained economic growth. Ontario continues to press for the renewal of a balanced Canadian federalism which requires good faith, joint action and mutual understanding. In many cases, MTC will have to avoid extreme positions on issues and identify areas where the lack of collective action is causing problems. Development of a national telecommunications policy is one area which should be addressed.

MTC staff have established good working relationships with their counterparts in other countries, the federal government and other provinces. Communications channels must be kept open and cooperative efforts continued at a high level.

Ontario will benefit indirectly from the federal concentration on western infrastructure and mega-projects which are currently deferred. It is anticipated that overall federal funding will continue to be seriously constrained leading to further cost reduction exercises affecting transportation and communications services in Ontario.

Strategic Directions

In any re-ordering of federal funding priorities, MTC will try to be involved early in the process in order to put forward and protect Ontario's interests. Strong

efforts to obtain effective dialogue and early warning of federal policy changes will be continued and ministry staff will make better use of the liaison mechanisms which are available within the Ontario government. MTC will also attempt to have high priority ministry activities accepted for funding through federal job creation programs.

The decision-making processes of the federal government must be fully understood and staff awareness of trends and issues in the national context will be increased. This approach will help identify major federal interest areas and facilitate negotiations on outstanding issues.

In undertaking a support role to advance Ontario industry, the ministry will seek federal involvement in the early stages of projects which are directed at off-shore markets. Through these initiatives, MTC will project the needs of industry.

B) INTER-MINISTRY RELATIONSHIPS

Outlooks and Trends

The goals and policies of the provincial government often require coordination of efforts involving several ministries. With the increasing focus on economic growth and industrial productivity, closer relationships will be necessary between MTC and other ministries, especially the Ministry of Industry and Trade (MIT).

Provision of effective transportation and communications services in northern Ontario will always be complicated by the large area, remote locations and low population densities. Nevertheless, mobility of people, goods and information in the north is required to satisfy basic needs and to assist in the development of a broader industrial base.

Current issues related to resource roads, winter roads and remote airports, also require the coordination of activities among several ministries. Existing mechanisms will be used to facilitate this process.

Strategic Directions

The ministry will continue to exercise its responsibility to plan and set policy for the total transportation and communications system in Ontario while obtaining timely input from other ministries. The local needs in both northern and southern Ontario will receive equal consideration in the delivery of all MTC programs.

MTC will strive to support both MIT and the Ministry of Northern Affairs in their efforts to implement economic diversification strategies. This will involve contact between field offices and the use of transportation and communications services as a tool for industrial planning.

While cooperative activities with other ministries are frequent, more effort will be made to seek out ways in which MTC can provide or receive direct support. The goals and objectives of ministries such as Industry and

Trade, and Tourism and Recreation, will be strongly supported by MTC and more regular meetings will be arranged to address broad strategies as well as specific issues.

MTC will improve liaison with central government agencies and other ministries to directly benefit ministry programs and also enable staff to be more effective in helping industry in its relations with the provincial government.

COMMUNICATING WITH THE PUBLIC

Outlooks and Trends

Recent surveys indicate a high degree of public satisfaction with Ontario's transportation and communications services which are a basic component of the standard of living in the province. The current public information activities at MTC continue to promote an awareness of ministry services and provide the necessary feedback from the public.

New federal and provincial legislation related to freedom of information, individual privacy and human rights will impact current ministry procedures for handling information. Implementation problems may occur and some additional staff training may be required, but MTC is supportive of the intent of such legislation.

Much of the direction for change will come as the provincial government sets new policies and priorities for all ministries. This Strategic Directions document is one mechanism by which the ministry conveys its view of future changes.

Strategic Directions

The ministry's role in public information is to protect the public interest and facilitate creation of an environment in which all parties can act to their greatest benefit. Information provided by MTC will clarify what government can and cannot do so that public expectations can be reasonably satisfied when ministry staff deliver their best efforts.

To ensure that the ministry remains sensitive to changing values in Ontario society, information from the public will be used more directly in program evaluation activities. Such input will be obtained through scientific polling of public opinion conducted on a corporate basis and through timely discussions with individuals, municipalities and client industries. In addition, all program areas during the annual planning cycle will summarize public perceptions of the products and services provided by MTC.

The ministry will use input from public participation activities to develop its perception of the future and the changing requirements of MTC programs. This information will then be shared with client groups, central government agencies and ministry staff. The ensuing dialogue will help all parties adapt successfully to the future environment.

The ministry's influence programs will adopt, as part of their mandates, the role of increasing public awareness of the transportation and communications services which are available in Ontario. Specific promotional opportunities offered by the World Communications Year (1983), Ontario's Bicentennial (1984) and Expo 86, in Vancouver, will be followed up by MTC.

SAFETY

Outlooks and Trends

Safety of the travelling public is one of MTC's highest priorities. The ministry is responsible for coordinating all programs of the provincial government related to highway safety. Also, MTC is the provincial spokesman for safety issues in all other transportation and communications modes and services.

Since October 1982, the numbers of fatal and non-fatal injury accidents on Ontario's highways have decreased 20.8 per cent and 8.8 per cent, respectively. This positive trend is influenced by many social and economic factors including reduced traffic volumes.

MTC activities in highway safety have certainly helped to make the provincial roads system a safer transportation environment. Safety-related activities involve seatbelt legislation, vehicle inspection, driver education, driver control and remedial training for problem individuals. System design activities which enhance safety include installation of median barriers, paved highway shoulders, passing lanes and intersection improvements.

'Drinking and driving' is a very serious issue which is receiving increased ministry and public attention. Statistics have shown that in motor vehicle accidents resulting in fatalities, over 30 per cent of the drivers involved were impaired or had been drinking.

The accident rates for motorcycle operations are also causing increased concern with motorcycle driver fatalities showing an increase of 12.4 per cent since October 1981.

Strategic Directions

To improve highway safety, the ministry will continue to use promotion, education, regulation and system design to reduce fatalities, injuries and property damage. Motorcycle accident statistics will be monitored to identify any clear trends and appropriate responses will be initiated as required.

The ministry will give its full support to the current provincial task force on drinking and driving. In this regard, specific proposals will be examined and put forward with respect to administrative suspensions, young drivers and selective remedial treatment for problem drivers.

Ministry programs will adopt a comprehensive approach to safety and identify initiatives which can be clearly demonstrated as being effective. Further, individuals will be encouraged to act more responsibly regarding safety and recognize that driving is a privilege rather than a right.

Compliance with safety standards by the transportation industry will continue to be monitored to ensure that there is no relaxation due to economic pressures. Approved recommendations from the Ontario Truck Safety Commission will be implemented by MTC.

ENERGY

In cooperation with the Ministry of Energy, MTC has initiated a transportation energy management program known as TEMP. This program is promoting oil substitution and energy conservation for the Ontario travelling public, while providing leadership and example through internal ministry projects. Since 1979, an overall reduction in Ontario's transportation fuel consumption of 11 per cent has occurred. This reduction has been due, in part, to the economic conditions in the province.

Since energy has been a key strategic issue at MTC for several years, it is appropriate to provide the following status report on TEMP.

Status

In the area of alternative fuels, fleet demonstration projects involving 300 propane-powered vehicles have led to the commercial use of this fuel in Ontario. Other evaluation projects involve vehicles using compressed natural gas, methanol blends and pure methanol.

The Share-A-Ride program is dedicated to the promotion of increased vehicle occupancy by the travelling public. Efforts to date with private sector companies, municipalities and individuals throughout Ontario have resulted in the creation of 120 vanpools, 500 carpools and an additional 700 carpools which use commuter parking lots at highway interchanges. The estimated annual fuel saving from efforts to date is five million litres.

Municipalities control or influence local transportation systems, including the private automobile, which

account for 33 per cent of Ontario's fuel consumption. TEMP works directly with municipalities on promotion and education activities, development of transportation energy management plans and the installation of computer-controlled traffic signals.

Marketing activities such as TruckSave, DriveSave and Drive Propane have led to the wide implementation of proven conservation and oil substitution techniques. To date 300 companies have adopted driver training programs, over 20,000 vehicles in Ontario have converted to propane and 600 propane fuelling stations are now located throughout the province.

Travel substitution through teleconferencing is another successful initiative and work with communications carriers has led to the commercial marketing of associated products and services. Nine Ontario ministries have installed teleconferencing systems and an estimated reduction of up to 30 per cent in travel to meetings has resulted.

Outlooks and Trends

There is a lessening impact of energy concerns as Ontario adjusts to higher prices in the province and supply problems are not foreseen through 1985. The current oversupply situation is, however, only temporary and does not affect the need to contribute to the goal of Canadian self-sufficiency in energy by 1990. The significance of energy conservation and oil substitution to Ontario, is emphasized by the fact that transportation fuel costs represent an estimated annual out-of-province drain of \$4 billion.

Energy conservation and oil substitution will again become prominent as economic recovery spurs demand, while mid-East supply remains uncertain, new economical petroleum sources become increasingly scarce and Canadian mega-projects are deferred. Opportunities for public transportation systems to be energy-efficient alternatives to the private car still exist and will be pursued.

Strategic Directions

Conservation activities have been successful and the current level of effort will be continued. The ministry's policies and incentives available for each transportation mode will be reviewed in the context of the contribution made to energy conservation.

Because of the positive economic development and long-term job creation implications, the priority in MTC's energy programs will be shifted to alternative fuels. Propane, natural gas, methanol and hydrogen are candidates for gasoline replacement while synthetic fuels and gasohol provide alternative fuel sources. These various options each have unique features in terms of cost, availability, application and state of development. It will be necessary for the ministry to be selective in promoting the best alternatives.

MANAGEMENT OF MINISTRY RESOURCES

Outlooks and Trends

Ontario continues to face challenging economic times. The reduced revenues available to the provincial government and the desire for more flexibility in allocating funds will continue to have major impacts on MTC. In particular, ministry programs will be subject to increasing internal and external scrutiny to ensure effectiveness, efficiency and economy. On the positive side, new initiatives which are responsive to government priorities will be candidates for funds made available through the government-wide program review process.

The 1970s saw major changes in the structure of the ministry with the adoption of a strategic style of results-oriented management and the definition of five program areas to coordinate planning activities. To describe the ministry of the future and its functions, based on current trends, is a difficult task given the rapid pace of change in technology, vehicle design, telecommunications and methods of passenger and goods distribution.

Technology development, particularly in the communications area, is leading to a recognition of information as a strategic resource. Effective information management at MTC will be critical to ensure the most productive use of existing resources. Staff with special skills will be required to develop systems which produce appropriate information in a concise and cost-effective manner. Changes in information technology must be closely monitored and systems adopted will require frequent updating. MTC must ensure that equipment purchased is compatible with existing facilities where required or appropriate and that new installations can be continuously upgraded as needed.

As the functions of the ministry change, the number and skill mix of staff required will also change especially in regard to under-represented disciplines. An increasing emphasis on social scientists, economists, systems analysts and private sector experience is foreseen. Also, the ministry will continue to provide opportunities for qualified women to advance within MTC's management structure. Versatility will be a key characteristic of all MTC staff to enable maximum flexibility in conducting ministry operations.

In a continuing climate of restraint, it is clear that the ministry, like many private sector companies, must quickly evolve to a smaller, leaner and more flexible organization. Staff attrition and initiatives such as retraining and relocation will not be sufficient and the current policy of no staff lay-offs will have to be discontinued.

Strategic Directions

THE MINISTRY IN THE FUTURE

There will be increased use of the private sector for the delivery of ministry programs and specific privatization objectives will be set in all functional units. Also, activities which support increased productivity internally and for client industries, will receive greater emphasis in all program areas.

Innovative employment techniques, which may require changes to existing policies, will be developed to permit opportunities for staff to adapt to the future environment. Where jobs are being displaced, by new technology for instance, MTC will attempt to minimize the effects on staff through techniques such as retraining.

Current training programs will be strengthened to enable staff to develop versatility and to address the skill mix required in the future by the ministry and the Ontario government. MTC's management recruitment program will ensure a continuing flow of new and qualified people into the ministry and senior executives will participate in recruitment activities to select the best candidates.

While MTC will move aggressively towards a smaller, leaner, more flexible organization, the delivery of products and services will continue to be through the regions. Opportunities to re-balance the regions and districts will be considered if justified by improved efficiency.

INFORMATION MANAGEMENT AND NEW TECHNOLOGY

The ministry will recognize information as a strategic resource and adopt new technology and automation techniques which improve internal productivity. Staff at all levels will be encouraged to develop computer systems literacy as an essential skill for the automated office. Flexible, corporate guidelines will be established to coordinate and implement activities on a ministry-wide basis. All managers are expected to take the initiative and make specific proposals for improving ministry processes.

A number of offices, branches and programs have developed systems which provide various types of management information and decision support. Information from the various program areas will be required in a consistent format to facilitate corporate assessment

and trade-offs among the programs. Also, existing information systems will be reviewed and every effort will be made to eliminate unnecessary forms and simplify data requirements.

PROGRAM ASSESSMENT AND ACCOUNTABILITY

The Ontario government has developed Management-By-Results (MBR) as a technique for program evaluation. MBR facilitates individual and corporate accountability while ensuring top-down control of MTC programs. This system has been tested and refined to the point where it will now be implemented as the prime mechanism for program evaluation within the ministry.

All ministry managers and supervisors will be held accountable for the human, financial and technological resources made available to achieve specific results. Accountability will be stressed at all management levels and MTC's expectations for performance will be clearly conveyed to all staff through the goal-setting and review process.

COMMUNICATIONS

The staff of the ministry will be kept fully informed of possible changes in the work environment as well as future opportunities for career development. While existing publications will be used to provide such information, it is the basic responsibility of every manager to initiate and maintain the necessary dialogue with staff. Managers are also responsible for motivating staff to address future challenges.

STRATEGIC
MANAGEMENT
AT M.T.C.

PART II B

*DEPUTY MINISTER'S ADDRESS TO
SENIOR MANAGEMENT CONFERENCE*

AN ADDRESS BY
HAROLD F. GILBERT, DEPUTY MINISTER
MINISTRY OF TRANSPORTATION AND COMMUNICATIONS

TO MTC SENIOR MANAGEMENT CONFERENCE
WOODBRIIDGE, ONTARIO - WEDNESDAY, MARCH 16, 1983

INTRODUCTION

When I spoke to you at our conference a year ago, I highlighted the challenges we faced in coping with the difficult economic times. Today I can say I have been pleased by the enthusiastic manner in which our people at MTC responded to those challenges.

The economic difficulties facing Ontario cannot, of course, be resolved overnight -- we still have a long way to go. The direction, however, is clear. It demands a positive attitude and the seeking out of all opportunities to take advantage of our many strengths. Ontario will then be able to get back on its feet.

To this end, over the past year the provincial government has aggressively pursued ways and means to promote economic growth. This ministry, with its very wide range of responsibilities and programs, has been making its own special contribution to the government's efforts.

One step the government has taken of a very positive nature has been the establishment of a program review activity for all ministries. I believe all of you here have been involved, to some extent, in developing MTC's response to program review which will soon be presented to Cabinet.

It is clear that if we are required to implement targetted budget reductions, our current programs will be seriously impacted. I believe, however, MTC will ultimately benefit from the increased flexibility in provincial funding which is a major goal of program review.

The reasons for my optimism are quite simple. First, MTC's products and services are recognized as being vital to Ontario's economic well-being. Further, our activities in support of the private sector directly respond to the province's priorities of restoring confidence, increasing investment, long-term job creation, increasing exports and import substitution, and encouraging entrepreneurs.

But, before I talk about the challenges which still lie ahead and the direction we will take to meet these challenges, I would like to spend a few minutes reviewing our considerable achievements over the past year. Obviously, I cannot list them all, but I do appreciate that the credit for this ministry's successes goes to all of you here and to our entire staff.

MTC ACHIEVEMENTS IN 1982

One of MTC's major achievements over the last year was the introduction of the new vehicle registration system. As expected, we had a few start-up problems, but given the magnitude of this project, they were minor and quickly dealt with. Life will just not be the same again without those long license renewal lineups in February.

We also continued our program of improving Ontario's highway network with some major links completed, including Highway 403, Highway 402, the Pembroke By-Pass and the Norris Whitney Bridge. As well, many other reconstruction and rehabilitation projects were completed.

I would also like to mention here my observation that the level of maintenance and care we continue to give to the entire system is the best I have seen anywhere. This is, without a doubt, due to the organization we have established and the positive attitude and dedication of our district staff, patrolmen and maintenance people.

Last October, the Minister announced a new inter-regional rapid transit system to serve Metro Toronto and vicinity, a system now called GO ALRT. We will be hearing more about this project later in the day.

The GO ALRT system is going to have a very significant impact on ministry activities over the next twenty years. It will greatly improve the transportation services available to business, industry and the general public, not only in Metro, but as far west as Hamilton and east to Oshawa. This project is an example of where government funds, resulting from program review, are going to be channelled in the future.

Another significant accomplishment in the past year was our response to VIA rail service cuts by the federal government. Our prompt reaction in providing replacement services through GO Transit and private carriers was positively received.

The recent announcement, by the federal government, in regard to satellite receiving dishes is directly in line with the position we have been putting forward through our Communications Division for a considerable period of time. We were not alone, of course, in telling Ottawa this, but the constant pressure by ourselves and others served to express the urgency of this situation to the federal government.

The work the ministry has been doing in regard to energy conservation and oil substitution is another area in which we, and our partners at the Ministry of Energy, can take justifiable pride. Both the DriveSave and TruckSave programs have been most effective in conserving energy. Also, we are well prepared to further promote alternative fuel developments which show great potential for increasing oil substitution.

Ontario's highway safety record continues to be excellent. This is due, in large part, to MTC's safety program and system design activities. Over the last year there has been a great deal of public discussion about "drinking and driving" and we support and are responding to this growing concern. We will take every opportunity to communicate to the public the fundamental principle that driving is a privilege, and those who do not exercise this privilege in a responsible fashion will lose it.

Many of our achievements are a reflection of the strategic directions developed during our planning cycle. While the strategic planning process involves considerable efforts by staff, I am well satisfied with the results obtained, particularly because we have demonstrated an ability to anticipate and respond

successfully to the rapidly changing environment in which we live and work.

Last summer's reorganization was another step toward reinforcing our strategic direction. I will not go into specifics here, but I would like to emphasize one particular aspect of the reorganization which concerns our regional operations.

Although each regional director is to represent the ministry and be fully responsible for the delivery of all services provided to the public in his geographic area of the province, at the same time, I want to emphasize the need for overall continuity in how we provide services to the people of Ontario. Therefore, the responsibility for program planning, policy development and functional control must lie with the respective functional executives at head office.

The need to maintain consistency and continuity in our policies and programs across the province cannot be over-emphasized. I expect program managers to be personally responsible and accountable for this aspect of our ministry's responsibilities.

This also means, and I stress this point, that regional staff still have the opportunity to be innovative in program delivery. In fact, I am expecting them to further explore and recommend creative ways of improving our program delivery performance.

OUTLOOKS AND STRATEGIC DIRECTIONS

Let us look now to the future and discuss the strategic directions developed by SPC to guide our activities over the next five years.

In our rapidly changing environment, it seems to me that one factor is very predictable and that is the future trend in the age profile of Ontario's population. We are all familiar with the "Big Generation" concept which describes the large population group now between 17 and 32 years of age.

As this group ages, the numbers of elderly persons will increase and there will be a lower proportion of workers to support them. An immediate concern is our ability to find jobs for the Big Generation and this problem is complicated by the high educational levels and expectations of these individuals.

Economic Growth, Industry and Technology

Everyone now seems to be predicting a gradual economic recovery, which is certainly good news. But does this mean a dramatic lowering of the rate of unemployment? I would question whether it does.

The prospect of continuing slow growth is not encouraging. We must aim higher, as a belief in gradual recovery may well become a self-fulfilling prophecy.

To achieve high growth rates, there must be a relentless pursuit of productivity improvements, both at MTC and within the private sector. We must act now to catch up with other industrialized countries.

In pursuing productivity gains, it must be recognized that the future work environment will be fundamentally changed and some individuals will be adversely affected. We cannot, however, afford to maintain inefficient processes in any part of our society.

One only has to look at Ontario's vital automotive sector to see the future most vividly. In the past several years, up to 39,000 lay-offs have occurred in the Canadian auto industry and all these jobs cannot be restored if the industry is going to be healthy in the future.

Clearly, unemployment will be the major social issue facing governments over the next five years. The provincial government must respond to this issue and MTC will be part of Ontario's response.

Although I recognize the current debate on the pros and cons of short-term job creation, in periods of high unemployment, both the federal and provincial governments use such projects to provide relief for individuals. Short-term job creation is basically a social program which is not intended to increase ongoing government functions. This type of stimulation may occur even as activities are being reduced in some program areas. We must look on job creation funding as a "windfall" opportunity to undertake additional, necessary work in transportation and communications.

What can MTC do to promote economic growth and long-term job creation? Well, first we will continue to provide and maintain the transportation and communications services which are necessary for the mobility of people, goods and information throughout Ontario. MTC's products and services are the foundation upon which the private sector can build a strong economy through increased investment.

It is not enough, however, to just continue doing what we have done well in the past. I want all programs to

increase their involvement with industry. Our role is to facilitate growth in Ontario and act as a catalyst in promoting recovery initiatives and productivity improvements.

We need to encourage firms to come forward with innovative ideas which can be translated into commercial successes. We also need to work with the private sector in overcoming any barriers to growth, be they institutional, regulatory, or simply a lack of understanding of government processes.

Ministry staff have proven expertise and access to tremendous amounts of information. We must be more active in sharing our knowledge and capabilities with industry.

As we enter the age of microelectronics, we are fortunate in this ministry to have combined responsibilities for both transportation and communications. This enables us to pursue immediate opportunities involving the use of communications technology to complement and enhance transportation systems.

The Ministry of Industry and Trade keeps stressing the need to develop Ontario products which have export potential or which can be used to substitute for imports. Through our programs, we can address this goal and help industry use Ontario applications to shape their products for global markets. We will also use incentives to stimulate private sector investment, including "seed funding" to promote promising new ventures.

Perhaps there are not too many specifics in this discussion. This is my challenge to you. I want to

see proposals coming before the strategic policy committee which address our contribution to a strong Ontario economy. There must be innovative thinking, some risk-taking and, above all, pragmatic analyses of the merits of various proposals. As the competition between programs for our limited resources increases, the contribution made to economic growth is one criterion that is very high on SPC's priority list.

Mobility

Let us now look more closely at the business we are in which involves the movement of people, goods and information. I am convinced there is great potential to expand Ontario's role as a transportation hub for international goods movement. We are well situated geographically relative to major North American markets and, by addressing the total distribution system, we can make Ontario a vital centre for goods movement.

I spoke earlier of the VIA cuts and how well we responded to that crisis. We can expect more disruptions to occur as the federal government re-orders its funding priorities, at a time when demands for increased services are also developing throughout this province.

To enable quick and effective responses to these kinds of circumstances, I want all programs to identify the service levels required to satisfy Ontario's basic transportation and communications needs. While recognizing the challenge inherent in this task, I feel there is no other alternative if we are to manage the total system as opposed to continually fighting fires.

I find it interesting that we now have ministry offices for air, marine, bus, truck, rail and transit -- every significant transportation mode except the automobile. The private car accounts for about 90 per cent of passenger travel within the province and certainly influences many MTC activities.

While a specific organizational unit may not be required, we will be initiating a special issue study to review existing provincial policies and to establish the best mechanisms to focus on the objectives and interests of MTC regarding the private automobile. This study will also examine and recommend possible improvements concerning our relationship with Ontario's automotive industry.

Maintenance and Preservation

At this year's convention of the Ontario Good Roads Association, I was particularly impressed by one statistic. This was an estimate of the current value of Ontario's road system which was placed at twenty billion dollars. I intend to keep the number ready when Management Board reviews our maintenance and rehabilitation budgets and I also want all of us to realize the significance of MTC's role in protecting this investment.

The progressive deterioration of highway infrastructure in the United States has provided us with a clear lesson in what can happen when adequate levels of maintenance are not pursued. This U.S. experience will not be repeated in Ontario.

Our funds will first be spent on preserving existing facilities which are essential for mobility and only after this is ensured will funds be allocated for construction. This priority, for maintenance and rehabilitation, applies to the total transportation system in Ontario including provincial and municipal roads.

Major Urban Centres

One place where the impacts of reduced government revenues will be strongly felt is in our municipal transfer programs, particularly in the Metro Toronto area. The estimated expenditures, for planned transit lines and for roads to support development areas such as the waterfront, are massive. In fact, even greater than historical trends would indicate. But we must be aware that without modern transportation systems, Ontario's major urban centres would soon lose their vitality.

We are already committed to the GO ALRT system and funds will have to be found for this and other essential projects. To provide flexibility for new capital expenditures, all our policies, subsidies and programs will have to be constantly reviewed to ensure that the desired results are being obtained as economically as possible. In particular, we need to review the mechanisms by which capital investment trade-offs between roads and transit are made.

Through the good working relations we have established with all Ontario municipalities, we must encourage the planning and management of local services in the context of the total transportation system. Further,

we must promote activities which will lead to productivity improvements and the adoption of effective new technologies for municipal systems.

Government Relations

More and more, the policies of the provincial government require coordinated action by several ministries. We are working effectively with Northern Affairs and Natural Resources and we obtain timely input from these ministries while exercising our responsibility to plan and set policies for the total transportation and communications systems in Ontario.

We need to work harder at understanding and contributing to the objectives of all other ministries, particularly Tourism and Recreation, and Industry and Trade. Earlier, I asked "How can MTC contribute to economic growth?" One of the answers is to work more closely with Industry and Trade. This will involve increased contact between field offices and the use of transportation and communications services as a tool for industrial planning.

Communicating with the Public

In looking ahead five years, it always seems that we are at a crossroad and that it is essential to choose the right path to follow. Well, Ontario is definitely not at a crossroad any longer. A better analogy would be that we are on an access ramp to a major freeway. The through lanes are already occupied by our major international competitors and we had better start accelerating and looking for an opening to merge before the opportunity is lost.

We have a clear vision of the future. We know the changes needed and the likely consequences. Our obligation is to communicate this view of the future and changing ministry needs to our own staff and client industries so they can adapt successfully.

In communicating with the public, we must be very clear on what government can and cannot do, so that public expectations will be satisfied when MTC's people deliver their best efforts. In all program areas, public perceptions of our products and services will be used more directly in the evaluation of program effectiveness. This is one technique by which our sensitivity to changing values in Ontario society will be maintained.

Management of Ministry Resources

Let us focus now on the management of ministry resources, an area representing the greatest challenge facing us in the next five years. How well do we manage our human, financial and technological resources, the 9,500 staff, the 1.5 billion dollar annual budget, and the millions of dollars in capital assets we control?

This year, I will be called before Management Board in a special session, to account for our use of these resources. Similarly, through the program review activity, the reports of the Provincial Auditor and the MBR process, one consistent message is repeated -- we are all accountable. I insist this message be acted on at all levels within MTC.

Accountability requires follow up. We must know what the expected results are before we initiate an activity

and we need to have clear performance criteria which indicate whether objectives are being met. We also need to have continuous monitoring and feedback from our programs.

Our management information and decision-support systems must be tailored to provide concise and relevant information. There are opportunities to eliminate or simplify many forms and systems that currently exist within MTC, and this must also be done.

The ministry will recognize information as a strategic resource and adopt the new technologies and automation techniques necessary to improve internal productivity. We must all become familiar with this new technology and I expect every manager to take the initiative in making specific proposals for improving existing processes.

Finally, let us talk about people. We all have friends and neighbours who are now unemployed or are on reduced work weeks. There are many students who are graduating into unemployment and we know this is not a short-term situation. We cannot realistically expect that MTC will remain sheltered from the problems facing the rest of Ontario society.

It is clear that we must move aggressively to an even smaller, leaner, more flexible organization and that staff attrition alone will not be sufficient to reduce our numbers. Thus, our previous "no lay-off" policy must be discontinued. This means that managers, at all levels, must make difficult choices in recommending fundamental changes in our functions and every effort must be made to communicate these changes to staff as early as possible to enable them to adapt successfully.

We will also consider innovative employment techniques, such as the use of permanent part-time and we are prepared to seek a redefinition of existing policies to achieve any necessary changes.

CONCLUSION

To leave you with one clear message from today's conference, I want to stress the need to be innovative. There are no current activities or policies which should not be challenged. I want to see proposals that address what needs to be done to streamline our ministry and our functions and I can assure you these proposals will be acted upon.

I am confident that we will again successfully meet the challenges ahead of us. I have a great deal of pride and confidence in the people of this ministry and our ability to continue the record of excellence we have always maintained.

STRATEGIC MANAGEMENT AT M.T.C.

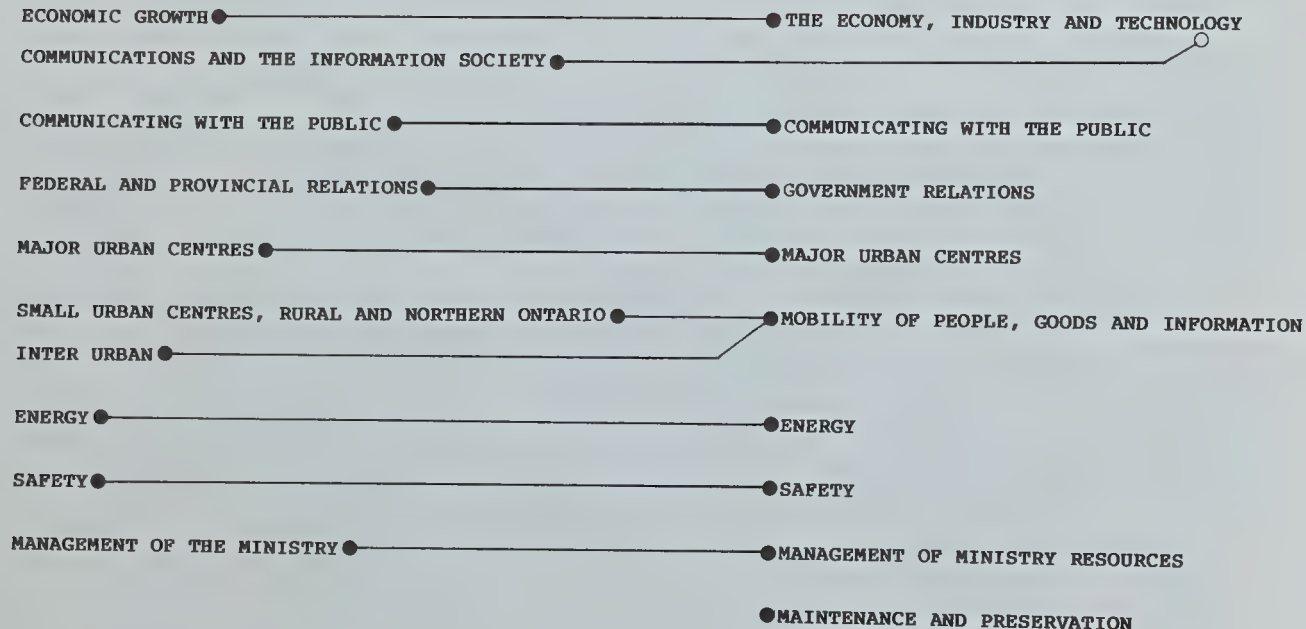
APPENDIX A

*RECONCILIATION WITH
STRATEGIC PLANNING GUIDELINES 1983—88*

EVOLUTION OF KEY STRATEGIC ISSUES

KEY STRATEGIC ISSUES FOR 1983-88

KEY STRATEGIC ISSUES FOR 1984-89



This appendix identifies major content changes in the 1984-89 Strategic Directions relative to last year's Strategic Planning Guidelines 1983-88. The document is now in two parts to separate the more permanent sections on MTC management philosophy and process from the specific strategic directions for the current planning period. The title of the document has been changed to reflect the fact that strategic directions are being provided rather than guidelines for undertaking a planning process.

Ministry Objectives

The ministry's objectives have been revised to highlight the contribution made to economic growth and to more closely align corporate and program objectives. This exercise resulted in minor wording changes to all objectives and the addition of the following new objective:

TO CONTRIBUTE TO ECONOMIC GROWTH WITHIN ONTARIO AND CANADA BY IDENTIFYING AND RESPONDING TO OPPORTUNITIES IN THE AREAS OF TRANSPORTATION AND COMMUNICATIONS SERVICES.

Former objectives 7 and 8 dealt with how the ministry operates and the characteristics of MTC staff. These statements are now incorporated in the section on Management Principles.

Ministry Principles

Ministry principles are now expressed in statements of general management principles and a new list of human resource principles. These statements are consistent

with the ministry policies published in last year's document under the headings of Attitude, Service, Effectiveness and Efficiency.

Strategic Directions 1984-89

The chart on the opposite page shows the evolution of key strategic issues relative to last year. As might be expected, the themes are similar but modifications have been made to reflect the new focus or emphasis developed during this year's planning cycle. The ten previous themes have been integrated into nine key strategic issues for 1984-89. All strategies developed to address previous issues are still considered appropriate for the planning period. Two new themes have been added to highlight major strategic directions of the ministry.

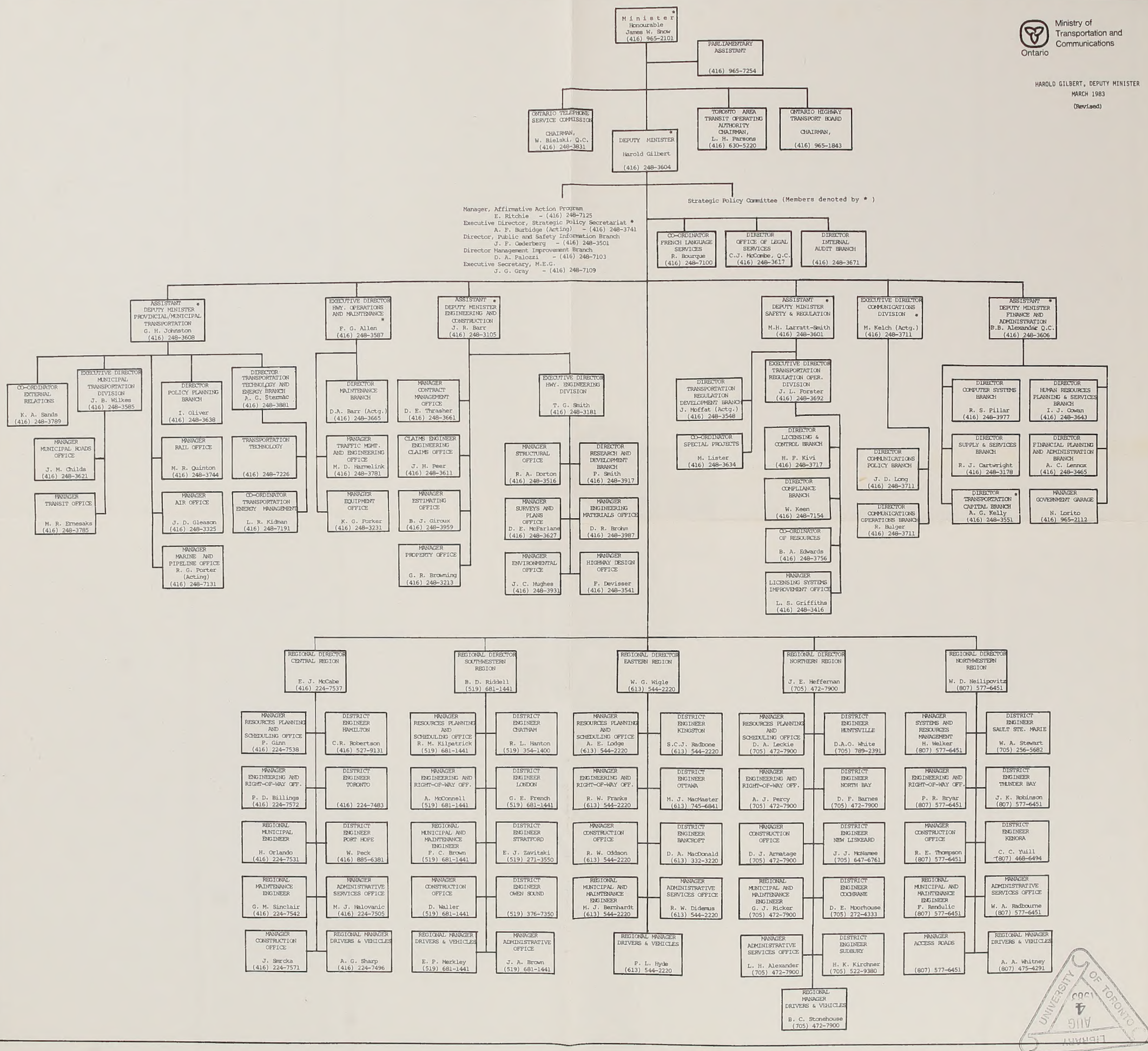
MOBILITY OF PEOPLE, GOODS AND INFORMATION

This theme emphasizes that the provision of mobility is the driving force of the ministry. Mobility applies to transportation and communications services throughout the province and includes related aspects from three of last year's issues (Small Urban Centres, Rural and Northern Ontario; Inter-Urban; Major Urban Centres).

MAINTENANCE AND PRESERVATION

This theme was included in several planning guidelines last year. It is stated separately now to focus on MTC efforts in preserving the quality of Ontario's essential transportation and communications facilities and services.





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